

**Notes of the Meeting of the
FASTER Alliance
(Frequent and Safe Transportation From Every Runway)
Name change to
Personal Air Transportation Alliance (PATA)**

**Orlando, FL
February 23, 2006**

The Members of the PATA/FASTER Alliance met on February 23, 2006. The meeting took place at the Florida Department of Transportation, Regional Traffic Management Center, 133 Semoran Blvd. in Orlando, Florida

The meeting convened at 8:30 am. Organizations with members in attendance included:

<u>MEMBER</u>	<u>REPRESENTATIVE</u>
- 1 FlyPogo-Co Chair	Mr. Michael Baur
- 2 North American Jet, Ilc-Co Chair	Mr. Ken Ross
- 3 Adam Aircraft, Inc.	Mr. William (Bill) Mermelstein
- 4 Air Limo, Inc.	Mr. John Loofbourrow
✓ - 5 BCI	Mr. Robert Dunn
- 6 Blue Ash Charters, Inc.	Mr. Bill Christian
✓ - 7 Consortium for Aviation Systems	
- 8 Advancement, Inc. (CASA)	Mr. Ray Wabler
✓ - 9 CASA, Inc.	Mr. Ken Stackpool
- 10 Informart dba Gary Air	Mr. Dave Guerrieri
✓ - 11 Informart dba Gary Air	Ms. Patricia Guerrieri
- 12 General Aero	Mr. Jack Olcott
- 13 DayJet, Inc.	Mr. Traver Gruen-Kennedy
- 14 Indiana SATS, Inc.,	Mr. Robert Wearly
✓ - 15 Indiana SATS, Inc.	Mr. Kim Pontius
- 16 Israeli Aircraft Industries, Ltd.	Mr. Sam Arbel
- 17 L-3 Communications, Inc.	Ms. Suzanne Finney
- 18 Maryland Advanced Development Lab	Mr. Norris Krone
- 19 Munro & Associates	Mr. Joe Feord
- 20 Research Triangle Institute, Inc.	Mr. Lou Williams

PATA/FASTER representatives not in attendance included:

<u>MEMBER</u>	<u>REPRESENTATIVE</u>
- 21 Airdialog Ilc dba Linear Air	Mr. William Herp
- 22 Cessna Aircraft	Mr. Phil Michel
- 23 Cirrus Design Corp.	Mr. John Gauch
- 24 Elipse Aviation, Ilc	Mr. Don Taylor
- 25 GE Honda Aero Engines, Inc.	Mr. Shawn O'Day
- 26 Pratt & Whitney, Canada, Ltd.	Mr. Tri Pham
- 27 Sky Taxi, Ilc	Mr. Ray Morrow

Professional advisors in attendance included:

ORGANIZATION

STARNET, llc

PARTICIPANT

Mr. Paul Masson

Professional support organizations not in attendance:

ORGANIZATION

September Moon, Inc.

PARTICIPANT

Roz Cooperman

Invited observers included:

ORGANIZATION

Florida Department of Transportation

PARTICIPANT

William (Bill) Ashbaker

Meeting Notes

These meeting notes are compiled from the meeting background briefing slides (attached separately) and information captured by flip chart.

Item #1-Change in Name to Reflect New Business Model- The members agreed to change the alliance name to Personal Air Transportation Alliance to reflect the intent to offer personal transportation with features beyond current air-taxi operators.

Item #2- Meeting Purpose and Agenda- The purpose of the meeting was stated as 1) review the status of advocacy contacts, 2) review the status of creating alliance positions, and 3) determine the direction and level of the alliance business plan for 2006.

The outcomes of the meeting were stated as 1) create a schedule and process to complete the Alliance position papers, 2) create a schedule and process to use the position papers for advocacy, 3) create a schedule and process for Alliance reorganization, 4) make a decision on the formation of new workteams.

Item #3- Review FASTER Alliance: Mission, Objective & Influence Targets

The Alliance strategic guiding decisions were restated.

Vision: An effective alliance composed of aviation industry leaders established for the protection, safety, enhancement of the public air transportation.

Mission: To identify, articulate, and promote those concepts, technologies and processes that facilitate frequent and safe air-taxi transportation from every runway.

Objectives: The objectives of the FASTER Alliance are to:

- Pool knowledge and support research and development of technologies and processes that will provide value to the air-taxi industry a basis for an emerging small aircraft transportation system through contributions to:
 - o The Next Generation Air Transportation System (NGATS) National Roadmap
 - o Development of common operational concepts
 - o Development of common technologies and systems architectures
 - o Development of standards and interoperability for targeted technology systems
 - o Creation of common certification paths
 - o Expanded availability of new aircraft with lower operating costs
- Create public understanding and acceptance of the value, safety, and use for air-taxis as a reflection of a new small aircraft based transportation system

- Facilitate the air-taxi system deployment by the establishment of links between new aircraft, expanded small airports, and new air traffic systems concepts and technologies

Item #4- Federal Government Contacts Update- Bob Dunn briefed the members on the status of Federal government contacts. Bob described the JPDO structure and results of his meetings at each level. The JPDO is positive about the SATS/FASTER concept and seeks input at both a strategic and specific IPT topic level. Bob stated that the JPDO was in particular interested in receiving estimates of:

- Waypoint growth
- Airport usage
- Airport security needs and plans
- Needs for new technology to support the concept

Bob stated that the IPT positions were not being filled due to a bureaucratic delay rather than intent, and asked members to resubmit their applications to the NGATS Institute with a copy to him. Bob reported on his meeting with the NGATS Institute executive director, who confirmed his commitment of support and offered to be a conduit for input. Bob stated his intent to make contact with members of the NGATS Management Council. He summarized the changes in NASA aeronautics programs that reduce the possibility of near term support for the Alliance, but there are still opportunities for joint work in categories of safety and possibly basic aeronautics research. Bruce Holmes and Jerry Newsom of NASA Langley are still supportive. Bob reported that his meeting with GAMA confirmed their support for the Alliance.

Bob stated that the JPDO had set July 2006 as the target date to lock in key systems concepts and architecture decisions, and recommended that the Alliance complete its input by that date to maximize impact. He also stated that the IPT's were seeking Alliance position papers at the first opportunity, and recommended that the group complete its positions by mid-April. Finally, he recommended that the Alliance leaders and steering committee meet with JPDO in the near future to transmit key messages of interest.

Actions:

1. Ray Wabler and Bill Christian will forward their IPT applications to Bob D.
2. Bob will followup on the weather IPT application of Dave Guerrieri
3. Bob will request a spring meeting date with JPDO leadership for the Alliance Steering Committee
4. Alliance position papers will be scheduled for completion in the spring to assure input to the IPT's
5. Bob will forward the whitepaper of the Aviation Management Associates

Item #5- Air Taxi Definition Whitepaper- Ken Ross stated that he had prepared a draft industry definition, but concluded that Alliance members would benefit most adopting a different term than air-taxi. The new term would represent a new branding. As such, he asked that the discussion about the transportation model differences and new terminology be deferred to the afternoon discussion about future alliance direction.

Item #6- Economic Value Whitepaper- Paul Masson summarized the economic value analysis completed by Morton Marcus as:

- Multiple economic impact models are available

- Economic impact for any region can be shown from demand and cost analyses used in the existing economic impact models
- Indiana SATS is willing to provide its induced impact model
- There are also models available from VA Tech and RTI
- The alliance would benefit by accessing and/or generating a database of demand and cost information by region

Based on this analysis, Morton recommended:

- The alliance should generate economic impact projections for each region of interest within the alliance
- The alliance should gather and organize a database of demand and cost information

Actions:

1. Morton will summarize his analysis and recommendations into 2 to 3 pages, keeping the appendix which describes the induced impact model
2. Morton will generate an impact projection for North Carolina and the Upper Great Plains based on data provided by RTI's Lou Williams.
3. Morton will generate an impact projection for Alaska based on information that Jack Olcott will request from the Alaska Air Carrier Association.

Item #7- Market Definition Whitepaper- Mike Baur summarized his whitepaper on the market definition for the alliance. Discussion ensued about why it is either necessary or valuable to define the market in terms of needs and segments. After discussion, it was agreed that the market definition permitted the alliance to speak with one voice to the Federal government about the national transportation need being served, and to multiple audiences (including investors) about how each company was pursuing a given market. Mike described his reasoning as looking at the needs, size and segments of the market. Needs were described in terms of schedule, airport availability, flexibility in scheduling, and lower costs. Mike went on to describe his contribution of Pogo's market analysis and method, which divided the market into four major segments: 1) Private aviation as an Enabler for regular users, 2) private aviation as an enabler for non-users (latent market), 3) private aviation as a luxury for regular users, and private aviation as a luxury for non-users (latent market). Mike then described the market size and segmentation by frequency of use and income. After discussion, the following modifications were recommended in the position paper:

Modifications

1. Add a timeline for the estimated penetration of the defined market by the emerging new air-taxi transportation model
2. Add a rural transportation need description to the model
3. Add a business traveler transportation need description to the model
4. Shorten paper to 3 to 5 pages

To satisfy the JPDO request for projected volumes, the representatives of the operators agreed to pool market research on a blind basis through Masson/StarNet under non-disclosure agreements.

Action

1. Mike will incorporate recommended modifications & changes.
2. Masson develop with Baur an outline of market information to request from each current and emerging operator

3. Masson to distribute the request for information with NDA's and a timeline to submit and compile information

Item #8- Safety Whitepaper- Norris Krone provided a summary of his analysis of the safety issues of the emerging business model. Norris stated he had established the goal of convincing the traveler that boarding an air taxi was as safe as boarding a scheduled, commercial airliner. He stated that his combination of personal experience, phone calls, and secondary research had resulted in his conclusion that the Alliance could establish a set of safety standards for the emerging model. The safety standards would address, as an example

- Weather information requirements
- Equipment and Operating maintenance standards and procedures
- Aircraft information systems requirements
- Single pilot operations requirements

Norris stated that the draft whitepaper was intended as a foundation for detailed input by the operators.

Actions:

1. Norris will circulate the draft position paper and ask for 1) proposed safety standards and 2) new ideas
2. Norris will search for standards that currently exist, e.g. ISBAO, Argus, etc.
3. Safety team members will identify those FAA regulations that must be addressed to assure safety, especially where companies want to propose a different approach to save cost, but can still achieve the same levels of safety
4. Norris will consider organizing the position paper according to safety standards that address 1) aircraft, 2) air crew, 3) airports and 4) maintenance
5. Norris will consider different safety standards for different levels of airports and/or different business models of operation
6. Safety team members and operators will identify the technologies necessary to achieve the proposed safety standards

Item #9- Security Whitepaper- John Loofbourrow summarized the results of his team's compilation of proposed security guidelines in four categories: 1) passengers, 2) aircraft, 3) crews and 4) airports. John stated that his team had concluded that sufficient security guidelines and standards existed, and simply needed to be adopted as appropriate for the proposed new business model. After a review of the specific proposed standards in each security area, the following recommended modifications or actions were made:

Actions

1. Bob Dunn will make contact with the AAAP to seek their review and input on the standards
2. The security team will review the TPSI model presented at lunch to adopt some of the standards and tools
3. The security team will consider adopting a security process to gain access to TFRs, at least as a political statement on the issue

Item #10- Communications & Education Team Report- Paul Masson summarized a report by the Comm and Ed team that had been provided by Phil Michel, who could not attend. Paul also reported that Roz Cooperman of September Moon had contributed substantial time in developing example logos and identifiers. Bob Wearly distributed his business card which displayed one of the logos. The Comm/Ed report summary stated the team concluded 1) the Alliance messages must come from a clear vision, mission and objectives, 2) visuals, including logo, must reflect the message content, 3) near term communications should be focused on the Federal regulatory and state legislative processes, and 4) there was no near term need for public communications.

The team recommended that the Alliance 1) review the vision, mission and objectives to assure agreement, 2) use the reconfirmed vision, mission and name to drive the messages, 3) create new identifiers to reflect the reconfirmed vision, mission and name and 4) prepare a full communications & education plan after positions had been established by the Alliance.

Discussion ensued about the need to address the public perceptions of the emerging new VLJ's and their impact on travel. Several of the company representatives stated that they needed a near term spokesman and set of messages to assure that the use of VLJ's would not be portrayed in a negative manner, and therefore degrade the quality of their intended service.

Item #11- Industry and Alliance Definition and Name

• **Issues Driving Question of Industry and Alliance Definition-** Discussion was initiated by Ken Ross who proposed the Alliance define the emerging business model in substance and terminology to distinguish it from the existing "air-taxi" definition. He stated that the new business model of the members contains features and benefits beyond traditional air-taxi, and the Alliance had the opportunity to create a new industry brand identity. Discussion and disagreement ensued about exactly what the "differences were", resulting in the following items being raised:

- **Newer equipment-** The availability of new aircraft that could operate at lower costs. The new equipment includes both Very Light Jets (VLJ's) and piston aircraft. The current members have different business models according to their planned mix of equipment.
- **Retrofitted Fleets-** Many individual advances in technology will permit existing fleets to be retrofitted.
- **New Fleets-** There will be brand-new-fleets of aircraft created by large investors, especially those based on Very Light Jets
- **VLJ Fleet Operators: Near Term Public Response-** The need among members planning to use VLJ fleets to respond to public inquiries and possible false statements about how VLJ's will operate in the system.
- **More Frequency-** Increased availability of aircraft, both on a scheduled and on-demand basis.
- **Different scheduling-** The offering of different scheduling options ranging from scheduled air service, to on-demand within certain windows, to pure on-demand, to variations of the above depending on the geographic area of coverage.
- **New matching systems-** The deployment of new matching systems that would reduce the deadhead time and increase equipment utilization. The matching systems are more effective when confined to a proscribed geographic service area.
- **Fully vertically integrated professional operations-** The increase in organizations in which all elements of air-travel were operated by a vertically integrated firm, with

professional managers and certifications at each level. There are also models of networked or "partnered" structures that will not be fully vertically integrated.

- Different Unit Pricing- The offering of a range of unit pricing options for the range of scheduled and on-demand service, in terms of units by seat, time, and aircraft usage.
- Lower Pricing- The offering of comparatively lower pricing versus existing air-taxi and air charter operations, due to the changes in equipment, matching, scheduling, and utilization.

Ken went on to state his firm, along with several others, had a near term need to differentiate themselves from the existing air-taxi, based on their plan to deploy fleets of VLJ's with different scheduling models. The discussion raised the issue of how to create an industry definition (for the new model) and name that was different than "air-taxi" and could be captured in the name of the alliance.

• **Audiences for Industry Definition and Alliance Name-** Members generated a list of priority audiences to receive information and be influenced by the Alliance outputs. The list was prioritized by members as follows:

- #1- General Public
- #2- Federal Government-DOT/JPDO
- #3- General Media
- #4- Federal Government-FAA/Regulatory Units
- #5- Investment Community
- #6- State Governments-Economic Development Units
- #7- Local Governments-Airport Authorities
- #8- Federal Government-Congress
- #9- Target Markets

Members also listed the following audiences, but at a lower priority including State government aviation departments, local government economic development departments, aviation associations, and the insurance industry.

• **Common versus Different Interests-** Members were asked to state their interest in participating in the Alliance, to identify where there were common versus different interests. The following interests were stated:

- Support changes in transportation systems concepts and acceptance of new technology, including technology for retrofit of aircraft that can lower operating costs
- Support deployment of VLJ's now
- Address operator needs via a common voice
- Respond to VLJ inquiries through a common voice
- Create public understanding for the new concepts & equipment to generate more business
- Advocate to the various authorities with a common voice
- Determine best way to deploy new and emerging technology
- Identify best places for new r&d to advance the new business model
- Support SATS implementation
- Influence Federal policy
- Have fun!
- Work with local airport authorities

- Advance the concept which is of significant public benefit
- Capitalize on the market momentum around VLJ's
- Identify customer and industry trends to position new product development
- Monitor customer needs through a common interest group
- Apply technology now to save local airports
- Support common technology deployment for common certification paths, lower the costs of certification
- Create a community to support the emerging aviation transportation model
- Support the emerging industry alliance as a means of both personal compensation and national contribution

It was concluded that there was a continuing broad common interest around the themes of

- new personal aviation transportation options
- options that would derive from transportation concepts...starting with SATS and now embodied in FASTER
- there are multiple business models to deploy the new personal transportation option, but they all have features different than traditional on-demand, per plane, air-taxi that is rented by telephone calls
- the emerging VLJ based fleets and business models are one part of the new personal transportation options

• **New Concept for New Name: Personal Air Transportation Alliance-** Based on the agreement that there were more common than different interests, the group adopted a new name:

Personal Air Transportation Alliance

advancing the

FASTER Transportation System Concept

(FASTER- Frequent and Safe Transportation From Every Runway)

Item #12- Alliance Reorganization- Paul Masson summarized the 2006 Alliance organizational changes that had been placed in the original business plan. The changes are intended to provide different levels of membership; formalize the election, roles and responsibilities of governing bodies and leaders; and create formalized management, advocacy, and administrative support systems accountable to the leaders & governing body. Paul summarized the key changes as:

- Create a four tiered membership structure: Principal, Associate, Supporting and Government
- Create an elected Board of Directors
- Create elected leader positions (roles and responsibilities)
- Define and designate managers and advocates
- Create a business administration structure to support information pooling, meetings, advocacy, membership administration, research and communication

Discussion ensued about the different possible dues structures and the addition of a national spokesman to respond to VLJ inquiries. Paul stated that the dues were a function of the number of Alliance activities, and ranged from \$7K to \$25K for Principles down to \$1.75K to \$3K for Supporting members.

Action: Paul to generate updated business plans for the Steering Committee with detailed organizational functions (roles, responsibilities, admin, etc) with associated budgets.

Item #13- New Workingteams- New workteams will be drafted for formation in the area of Operating Concepts and Airport Configuration.

Actions

1. Ken Ross prepare a proposed Operating Concepts workteam action plan to be circulated among the operators for launch. Paul Masson will support Ken.
2. Ray Wabler will prepare an Airports workteam action plan. The plan will be circulated among members.

Item #14- Next Meeting- The next meeting was set for May 12 in Ft. Wayne Indiana.

Closing Actions:

1. Masson to prepare and distribute outline for position papers that includes:
 1. Issue
 2. Audience
 3. Assessment
 4. Recommendations
 5. Research
 - a. Internal
 - b. External
2. Position papers to be completed:
 1. Industry Definition- April 1
 2. Market Definition- April 1
 3. Safety, Security and Economic- April 15

Appendices

1. Position paper format
2. Government contacts briefing
3. NASA market research-TSAA reports list
4. Security position paper briefing